

## **Senate Bill No. 766**

### **CHAPTER 616**

An act to add Section 19605.10 to the Business and Professions Code, relating to horse racing.

[Approved by Governor October 11, 2009. Filed with  
Secretary of State October 11, 2009.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

SB 766, Negrete McLeod. Horse racing.

Existing law, until January 1, 2011, authorizes racing associations, fairs, and other related organizations to form a private, statewide marketing organization to market and promote thoroughbred and fair horse racing, and to obtain, provide, or defray the cost of workers' compensation coverage for stable employees and jockeys of thoroughbred trainers. A specified percentage of the amount handled by each satellite wagering facility is required to be distributed to that statewide marketing organization for those purposes of promotion and defraying the cost of workers' compensation coverage. Existing law also provides that any promotion funds not expended in the year in which they are collected may be expended in the following year.

Existing law, until January 1, 2014, provides that every thoroughbred association and fair that conducts a racing meet shall deduct a percentage of the total amount handled in exotic parimutuel pools of thoroughbred races, which shall be distributed to an organization, as specified, to defray costs of workers' compensation insurance in connection with thoroughbred horses that race in this state, as specified. Existing law provides that any funds that are not used to defray the cost of workers' compensation insurance shall either be carried forward to the subsequent year or used to reimburse racing associations for safety-related expenditures, as specified.

This bill would provide that, in the event there are at any time uncommitted surplus funds in accounts created pursuant to the above provisions of existing law, those unexpended funds may, at the written request of the organization governing those funds and with the approval of the California Horse Racing Board, be reallocated to any other fund or account created pursuant to the Horse Racing Law. The bill would require the request to be accompanied by a certain report of receipts and expenditures, would authorize the board to require quarterly reports of receipts and expenditures from approved requesters, and would require the filing of a report accounting for all receipts and expenditures in any of the affected funds with the board and certain legislative committees within one year of initial approval and annually thereafter if approval is extended by the board.

*The people of the State of California do enact as follows:*

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) The existence of high caliber thoroughbred horse racing in California is important to the state's agricultural economy.

(2) The California horse racing industry is being threatened by the escalating costs of doing business in California, including, but not limited to, workers' compensation insurance costs. These costs are not only causing thoroughbred horses and trainers to leave the state, but are also discouraging owners and trainers from bringing horses into this state to compete.

(b) It is therefore the intent of the Legislature to provide some relief from these escalating costs through the redistribution of the parimutuel handle on wagers.

SEC. 2. Section 19605.10 is added to the Business and Professions Code, to read:

19605.10. (a) Notwithstanding any other provision of law, in the event there are at any time uncommitted surplus funds in accounts created pursuant to Sections 19605.73 and 19605.75, those unexpended funds may, at the written request of the organization governing those funds and with the approval of the board, be reallocated to any other fund or account created pursuant to this chapter.

(b) Requests to the board to reallocate funds pursuant to subdivision (a) shall be accompanied by a report detailing all receipts and expenditures over the two prior fiscal years of the funds affected by the request.

(c) Initial board approval of a request to reallocate funds pursuant to subdivision (a) shall be limited to a one-year period. Approval of a reallocation may be extended beyond one year upon a determination by the board that the extension is in the economic interest of thoroughbred racing.

(d) The organization whose written request pursuant to subdivision (a) has been approved by the board shall provide subsequent quarterly reports of receipts and expenditures of the affected funds if requested by the board.

(e) The organization whose written request pursuant to subdivision (a) has been approved by the board shall file a report with the board and the respective fiscal committees and Committees on Governmental Organization of the Senate and the Assembly accounting for all receipts and expenditures in any of the affected funds. This report shall be filed within one year of initial board approval and annually thereafter if the approval is extended by the board.